

**Lanesboro Public Utilities**

**Council Chambers**

**12:00 p.m., June 8<sup>th</sup>, 2009**

**Member(s) Present: Evenson, O'Connor & Schuck**

**Absent:**

**Visitors: Julia Borgen, Wagner and Vickerman**

**REGULAR MEETING:**

The meeting was called to order by Chairman Evenson. The agenda was approved on a motion by O'Connor, with the removal of Karla Dambach for summer water meters, second by Schuck, motion carried. The minutes, of the May 11th meeting, were approved with a motion by O'Connor, second by Schuck, motion carried.

**PERSONS WITH BUSINESS BEFORE THE COMMISSION:**

**Julia Borgen – Citizen on behalf of Grocery Store:** Borgen asked the Commission if they would consider a large user's rebate. She noted that some of businesses have difficulty making ends meet due to high utility bills and thought that large consumers should get a discount. Wagner noted that he would like to see a yearly process done to benefit the school, the grocery store and other businesses. Borgen asked if the Commission would assist the grocery store in having someone come and do an energy audit, since the store seems to still be using a lot of electricity even with most of their freezers down. Evenson made a motion to spend up to \$500 for an energy audit through the Conservation Improvement Program for the grocery store, noting that it is very important that the community work together to re-open the grocery store, second O'Connor, motion carried.

**HOUSEKEEPING:**

**Paying of the Bills:** O'Connor made a motion to pay the regular monthly bills and for Vickerman to use her judgment for paying them and if there are questions, they should be presented at the next meeting, second Schuck, motion carried.

**Past Due Accounts:** Vickerman noted that they are working with some customers to continue there service and to pay off their past due amounts.

**Hydro/Dam Update:** Wagner noted that the hydro is running at its full capacity and as long as the flow of the river is where it is at, we can continue to run. Wagner noted that they have been running during peak times to assist in cutting back Lanesboro's peaks.

**Energy Price & Sewer:** Wagner explained that at his last UMMPA meeting the group was addressed with increases from Dairyland Power as part of our contract, called true-up costs. There were some periods of time where Dairyland had plants that went down. In the energy contract, it states that the municipalities associated with UMMPA will be charged costs associated with these types of incidents. Based upon the calculations the utilities could see up to a 22% increase. After further calculations it was stated that the rates would have to be increased approximately 16%. The other discussion that occurred was whether the Utilities Commission should pay the true up fees up front or ask for them monthly, quarterly or yearly. O'Connor noted that we must focus on educating the public on conserving energy. He also noted that if we focus on an increase on the rates, it is an

area where customers can decrease usage rather than increasing base charges, for which customers have no option to decrease their charges. O'Connor made a motion to host a public hearing at the joint council and public utilities meeting on July 6<sup>th</sup>, he asked that Vickerman have a comparison of old and new rates and the effect on a standard user, the rates proposed are residential .114/kw and commercial .108/kw with security lights going up from \$6.00 to \$7.00, second Schuck, motion carried.

Sewer rates were also discussed. It was noted that in the audit report sewer once again was not making a profit after depreciation and that the utility actually lost an additional \$20,000+ after depreciation. The Utilities Commission discussed the need to combine base charges to simplify bills and it was suggested by Evenson to increase in the base charges but to combine those charges into one line item on the bill. O'Connor made a motion to combine the water base charge, the sewer base charge and the water service fee into one account and have a monthly charge of \$25.00, second Evenson, motion carried. O'Connor also asked to have the charges called "Little Norway Water" and "Flat Sewer Fee" investigated, with Vickerman and Wagner making changes as necessary, second Evenson, motion carried.

**Boom Truck:** Wagner noted that the old boom truck sold with sealed bids to Randy Haakenson for \$4,500.

**Das Wurst Haus Water and Sewer:** Vickerman noted that Arv from the Das Wurst Haus was upset by his large water/sewer bill noting that some of the charges should have been charged to Rick Darling. Vickerman on behalf of Arv is asking for a credit due to the utility staff not reading the meters timely. Vickerman noted that contacts were made by the city office to have doors opened, however there was no response. Peterson read the meters when he was able to get into the building. The Commission members discussed the bill and noted that Arv as the owner is responsible and that they are unable to credit his account.

**Direct Electric Line from Dairyland:** Evenson asked Vickerman to e-mail Mike Bubany about the figures for what it would cost to have a direct line into the City of Lanesboro, by Dairyland Power.

**Stone Mill Suites:** Colleen Lamon has asked for Conservation Improvement money for her heating/cooling units she is installing. Total cost of the project is over \$28,000. Vickerman noted that she will contact John Willford directly from VIS to see what each unit costs. O'Connor made a motion for Vickerman to issue the Stone Mill Suites 10% of the cost of the units as CIP grant, second Evenson, motion carried.

#### **ADJOURN:**

The meeting stood adjourned at 2:26 p.m. on a motion by Schuck, second by O'Connor, motion carried.

Respectively submitted,

Bobbie Vickerman  
City Administrator/Clerk